

Message Text

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ACTION AF-06

INFO OCT-01 EUR-12 ISO-00 SP-02 AID-05 EB-07 NSC-05

CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

DODE-00 PM-03 H-02 INR-07 L-03 NSAE-00 PA-01 PRS-01

USIA-06 COME-00 FRB-03 XMB-02 OPIC-03 LAB-04 SIL-01

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P R 141410Z JUL 75

FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC PRIORITY 3575

INFO AMEMBASSY BRUSSELS

C O N F I D E N T I A L KINSHASA 6446

E.O. 11652: GDS

TAGS: EFIN, CG, BE

SUBJECT: ZAIRE'S FINANCIAL CRISIS: BELGIUM READY TO HELP?

REF: BRUSSELS 06241, 06166, FBIS KADUNA 082655Z JUL 75

1. REFTELS REPORT BELGIAN SATISFACTION WITH TOUSSAINT VISIT, KING BAUDOIN'S LETTER TO MOBUTU AND MOBUTU INVITATION TO EINDEMANS TO VISIT ZAIRE. WE CONFIRM FROM LOCAL IMPRESSIONS EMBASSY BRUSSELS' CONCLUSION THAT BELGIANS DETECT AN IMPROVEMENT IN THEIR RELATIONS WITH ZAIRE AND WANT TO TAKE ADVANTAGE OF IT. AND, WE THINK FROM TENOR OF BAUDOIN LETTER, FROM TOUSSAINT INTERVIEW IN BRUSSELS 10 JULY CARRIED BY AZAP AND FROM BELGIAN EMBASSY CONTACTS THAT GOB IS PREPARED TO OFFER FINANCIAL HELP.

2. KING'S LETTER REPORTEDLY CITES ZAIRE'S ECONOMIC DIFFICULTIES AS PROVIDING OPPORTUNITY FOR IMPROVEMENT IN RELATIONS AT GOVERNMENT LEVEL BETWEEN TWO COUNTRIES. TOUSSAINT SAID ZAIRE WOULD CERTAINLY SURMOUNT PRESENT ECONOMIC DIFFICULTIES AND THAT AMELIORATION OF BELGIAN-ZAIRIAN RELATIONS WOULD DOUBTLESS
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BRING A CHANGE AND AN INCREASE IN EOMMERCIAL RELATIONS BETWEEN

THE TWO COUNTRIES.

3. WHEN QUERIED BY US AS TO LIKELY EFFECT OF FOREGOING, BELGIAN CHARGE HEDGED BUT ADMITTED THAT ZAIRIAN HAD ASKED FOR RE-ACTIVATION OF BF 700 MILLION LINE OF CREDIT FROM BELGIAN CENTRAL BANK, ORIGINALLY OFFERED IN 1972. ZAIRIANS HAVE, UNTIL RECENTLY, REFUSED TO DRAW ON THIS CREDIT BECAUSE OF BELGIAN INSISTENCE ON RECEIVING GOZ FINANCIAL DATA AND SPECIFIC ASSURANCES OF REPAYMENT. NOW GOZ IS REPORTEDLY LOOKING FOR AN "ACCEPTABLE FORMULA" AND BELGIANS ARE PREPARED TO PLAY.

4. FROM NON-BELGIAN, BUT WELL-PLACED SOURCE, WE HAVE LEARNED THAT NUMBER OF LICENSES FOR IMPORTS INTO ZAIRE HAS DROPPED OVER LAST THREE MONTHS FROM 7,000 PER MONTH TO 3,500. OF THIS TOTAL, BELGIAN SHARE IS REPORTED TO HAVE DROPPED FROM 2000 PER MONTH TO 450. IT TRUE, BELGIANS MAY ALSO BE THINKING OF INCREASING DUCROIRE LIMIT OR OTHERWISE PROVIDING COMMERCIAL CREDITS IN ORDER TO MAINTAIN THEIR RLATIVE SHARE OF MARKET.
ANDREW

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCIAL STABILITY, ECONOMIC ASSISTANCE, FOREIGN RELATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 14 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975KINSHA06446
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750242-0848
From: KINSHASA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750759/aaaacasl.tel
Line Count: 82
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 BRUSSELS 6241
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 22 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <22 APR 2003 by SmithRJ>; APPROVED <23 APR 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ZAIRE'S FINANCIAL CRISIS: BELGIUM READY TO HELP?
TAGS: EFIN, CG, BE
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006